

Message Text

CONFIDENTIAL

PAGE 01 OECD P 25917 01 OF 02 021200Z

11

ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 L-01 EB-03 SP-02

INR-05 CIAE-00 EA-06 IO-03 NEA-06 SWF-01 SSO-00

INRE-00 OES-02 RSC-01 /058 W
----- 086552

O P 021125Z NOV 74

FM USMISSION OECD PARIS

TO SECSTATE WASH DC IMMEDIATE 4141

INFO AMEMBASSY BRUSSELS PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 OECD PARIS 25917

LIMDIS

E.O. L1652: GDS

TAGS: ENRG, OECD

SUBJECT: ASSISTANT SECRETARY HARTMAN'S CONVERSATION WITH
OECD SEC GEN VAN LENNEP NOVEMBER 1: ENERGY MATTERS.

1. PRODUCER-CONSUMER CONFERENCE:

A. IN DISCUSSION NOVEMBER 1 WITH OECD SEC GEN VAN
LENNEP, ASSISTANT SECRETARY HARTMAN FILLED HIM IN ON PRE-
LIMINARY U.S. REACTIONS TO GISCARD PROPOSALS ON ENERGY
CONFERENCE INVOLVING PRODUCERS, CONSUMERS, AND LDC'S
ALONG SAME GENERAL LINES HE HAD BRIEFED DAVIGNON PREVIOUS
DAY.

B. VAN LENNEP SAID FRENCH REP TO OECD HAD GIVEN
HIM SAME MESSAGE THEY WERE PASSING AROUND TO SELECTED
GOVERNMENTS BUT THAT HE WANTED TO HAVE U.S. REACTION
BEFORE GIVING HIS OWN REACTIONS TO FRENCH. HE AGREED
IN GENERAL WITH POINTS MADE BY HARTMAN, ADDING HIS OWN
RESERVATIONS AS FOLLOWS . HE QUESTIONED
UTILITY OF TRIANGULAR CONFERENCE. LDC PROBLEM, HE SAID,
IS QUITE DIFFERENT FROM COMPLEX INTER-RELATIONSHIP
BETWEEN PRODUCERS AND ADVANCED CONSUMERS. (ALL THE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 OECD P 25917 01 OF 02 021200Z

LDC'S WANT IS LOW OIL PRICES FOR THEMSELVES AND MONEY,

HE SAID.) HE ALSO DID NOT BELIEVE IN A FINITE CONFERENCE TO DEAL WITH THE PRODUCER/CONSUMER ISSUE; THE DIALOGUE MUST BE A PROCESS OVER TIME. FINALLY, VAN LENNEP WAS QUITE UPSET BY GISCARD'S REFERENCE TO INDEXATION, SAYING THAT THE WHOLE NOTION OF INDEXATION OF PRICES AGAINST EACH OTHER GOES AGAINST THE ORIENTATION OF THE MARKET. HE SAID HE KNEW THAT TOP MANAGEMENT OF SHELL WAS CONCERNED LEST FRENCH NOW BECOME CONSTRAINED TO ACCEPT INDEXATION FORMULA IN CURRENT NEGOTIATIONS WITH SAUDIS WHICH MAY THEN BECOME MODEL FOR OTHER NEGOTIATIONS

C. VAN LENNEP SPECULATED ON BASIS OF HIS CONTACTS WITH FRENCH THAT THIS SURPRISE CALL FOR A CONFERENCE WAS A DOMESTIC POLITICAL MOVE AND INTERPRETED FOURADE'S REMARKS AS INDICATING THAT FRENCH DO NOT SERIOUSLY EXPECT PROPOSAL TO BE ACCEPTED.

2. OECD COUNCIL DECISION:

IN REVIEWING STATE OF OIL IN BRINQING IEA INTO OECD, VAN LENNEP MENTIONED BRIEFLY THAT HE HAD RECEIVED DAVIGNON'S "FIRST DRAFT OF SEPARATE DECLARATION ON COOPERATION ISSUE." HE SAID HIS INITIAL IMPRESSION WAS THAT DAVIGNON'S DRAFT WOULD PROBABLY MORE OR LESS SERVE THE PURPOSE, ALTHOUGH LANGUAGE COULD BE IMPROVED. HE POINTED OUT THAT HE HAD NOT YET HEARD FROM THE FRENCH ON THEIR OWN EFFORTS TO PRODUCE A DRAFT COUNCIL RESOLUTION. HE HAD URGED VALERY TO SHOW HIM FRENCH VERSION AS SOON AS POSSIBLE. VAN LENNEP SAID WHEN FRENCH TEXT IS AVAILABLE WE WOULD HAVE TO SEE IF SENSE OF FRENCH RESOLUTION IS COVERED IN DAVIGNON DECLARATION. HE SAID VALERY PERSONALLY WOULD NOT BE OPPOSED TO COVERING FRENCH POINTS

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 OECD P 25917 02 OF 02 021149Z

20

ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 L-01 EB-03 SP-02

INR-05 CIAE-00 EA-06 IO-03 NEA-06 SWF-01 RSC-01 SSO-00

INRE-00 OES-02 SAM-01 /059 W

----- 086453

O P 021125Z NOV 74
FM USMISSION OECD PARIS
TO SECSTATE WASH DC IMMEDIATE 4142
INFO AMEMBASSY BRUSSELS PRIORITY

C O N F I D E N T I A L SECTION 02 OF 02 OECD PARIS 25917

LIMDIS

IN AN IEA DECLARATION WITH A COUNCIL RESPONSE IN A DRAFT ENTRY IN THE MINUTES. DEPUTY SECRETARY GENERAL ELDIN (A FRENCHMAN) POINTED OUT THAT DAVIGNON'S DRAFT DECLARATION AS IT STOOD IS AN EXPOSE ON THE MOTIVATION OF THE ECG COUNTRIES. HE TERMED DAVIGNON'S DRAFT "A BIT SHORT" ON THE QUESTION OF CONTINUATION OF COOPERATION ON ENERGY IN OECD. VAN LENNEP RESPONDED THAT DAVIGNON'S DECLARATION IS MERELY A STATEMENT BY THE 12 TO EFFECT THAT THE IEA DOES NOT AFFECT THEIR INTENTION TO COOPERATE IN OECD, WHILE THE COUNCIL'S RESPONSE SHOULD BE A CLEAR STATEMENT OF INTENTION TO CONTINUE EXISTING COOPERATION.

3. GREECE/TURKEY PROBLEM:

FINALLY, SEC GEN VAN LENNEP ALERTED ASSISTANT SECRETARY HARTMAN TO POTENTIAL PROBLEM OF GREECE AND TURKEY IN OBTAINING PASSAGE OF COUNCIL DECISION ON SCHEDULE. AMBASSADOR TURNER REPORTED BRIEFLY ON HIS CONVERSATION WITH GREEK PERM REP (SEPTEL). GREEK PERM REP, HE SAID, WAS LOOKING FOR REASONS TO TELL ATHENS NOT TO DELAY COUNCIL ACTION. SEC GEN SAID IT MUST BE MADE CLEAR TO THE GREEKS THAT NOT JOINING NOW WILL NOT PREJUDICE THEIR MEMBERSHIP PROSPECTS LATER. AMBASSADOR TURNER AGREED, SAYING HE HAD STRESSED TO THE GREEK PERM REP THAT RIGHTS

CONFIDENTIAL

PAGE 02 OECD P 25917 02 OF 02 021149Z

AND OBLIGATIONS UNDER IEP ARE THE SAME WHETHER THEY JOIN NOW OR AFTER THE AGENCY IS ESTABLISHED.
TURNER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, LESS DEVELOPED COUNTRIES, ECONOMIC COOPERATION, MEETINGS, INTERGOVERNMENTAL COOPERATION
Control Number: n/a
Copy: SINGLE
Draft Date: 02 NOV 1974
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974OECDP25917
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740314-0239
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741176/aaaacmqzq.tel
Line Count: 157
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 03 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 APR 2002 by martinml>; APPROVED <07-Aug-2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ASSISTANT SECRETARY HARTMAN'S CONVERSATION WITH OECD SEC GEN VAN LENNEP NOVEMBER 1: ENERGY MATTERS.
TAGS: ENRG, OECD
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005